

EXHIBIT 8



**IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF
WASHINGTON**

HUNTERS CAPITAL, LLC, a
Washington limited liability company,
NORTHWEST LIQUOR AND WINE
LLC, a Washington limited liability
company, SRJ ENTERPRISES, d/b/a
CAR TENDER, a Washington
corporation, THE RICHMARK
COMPANY d/b/a RICHMARK
LABEL, a Washington company,
ONYX HOMEOWNERS
ASSOCIATION, a Washington
registered homeowners association,
WADE BILLER, an individual,
MADRONA REAL ESTATE
SERVICES LLC, a Washington
limited liability company,
MADRONA REAL ESTATE
INVESTORS IV LLC, a Washington
limited liability company,
MADRONA REAL ESTATE
INVESTORS VI LLC, a
Washington limited liability company,
12TH AND PIKE ASSOCIATES LLC,
a Washington limited liability
company, REDSIDE PARTNERS
LLC, a Washington limited liability

Case No. 2:20-cv-00983 TSZ

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company, OLIVE ST APARTMENTS
LLC, a Washington limited liability
corporation, BERGMAN'S LOCK
AND KEY SERVICES LLC, a
Washington limited liability company,
MATTHEW PLOSZAJ, an individual,
SWAY AND CAKE LLC, a
Washington limited liability company,
SHUFFLE LLC d/b/a Cure Cocktail, a
Washington limited liability company,
on behalf of themselves and others
similarly situated,

Plaintiffs,

v.

CITY OF SEATTLE,

Defendant.

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Arik K. Van Zandt, ASA, CDBV**

April 28, 2022

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14. On February 1, 2021, King County moved back to Phase II, and then moved to Phase III on March 1, 2021, which allowed bars, restaurants, and in-store retail locations to all operate at 50 percent capacity. All statewide capacity restrictions were lifted on June 30, 2021.¹⁰

ECONOMIC DAMAGE ANALYSIS

Hunters Capital, LLC

15. Hunters Capital, LLC (“Hunters”) is a real estate development, investment, and management company, headquartered near Cal Anderson Park in the Capitol Hill neighborhood, with offices located at 1620 Broadway Street. Hunters owns and manages a portfolio of commercial, multi-family residential, and mixed-use properties in and around CHOP, including 500 E. Pike Street, 1517 12th Avenue, 401 E. Pine Street, 1000 E. Pike Street, 900 E. Pine Street, 426 15th Avenue East, 415 18th Avenue South, 523 15th Avenue East, 1641 Nagle Place, and 501 E. Pike Street.

16. Hunters has suffered economic loss from CHOP in the form of property damage, lost income from tenant leases, lost parking revenue, and additional expenses that would not have been incurred “but for” CHOP. The economic damages that have been incurred by Hunters are based on lost profits and extra expenses. Any future expected lost income due to reduced long-term lease income have been reduced to present value at a risk-adjusted discount rate.

Commercial Unit Losses

17. As a result of CHOP, a number of commercial unit tenants either terminated their lease prior to expiration or did not renew as expected. It is my understanding that all commercial leases

¹⁰ <https://www.seattletimes.com/seattle-news/politics/limits-gone-for-bars-restaurants-other-businesses-as-covid-19-restrictions-ease-across-washington-state/>

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were on a triple net lease basis. As such, Hunters' damages represent both lost rental income and incurred expenses related to property tax charges, insurance charges, and common area maintenance ("CAM") charges for which tenants of the units would have been responsible. Additionally, as a result of CHOP, Hunters will incur continued economic damages as a result of reduced rental income that Hunters needed to accept in order to fill the vacant units and mitigate any future lost rental income.

18. To compute the economic damages related to loss of rent and incurred expenses for vacant units, Hunters provided an analysis of the lost rent and incurred expenses over the total number of months the specific unit was vacant. In instances where a lease term was expiring as of a certain date for a specific tenant, Hunters estimated a period of vacancy in their budget process.

19. Based on a report of the Puget Sound commercial real estate market prepared by Colliers, the COVID-19 pandemic has created a wait and see approach for commercial tenants.¹¹ The Colliers report shows that rental rates for Class B commercial properties, which is a reasonable proxy for the type of commercial properties owned by Hunters, were largely unaffected. To account for the "wait and see" market caused by these COVID-19 trends, I have extended the budgeted vacancy period by 50.0 percent to account for the market impacts of CHOP. For purposes of this analysis, I have assumed and increased vacancy period as compared to the budgeted vacancy to account for the impact of COVID-19, since commercial tenants may have been in a "wait and see" period for overall economic improvement, as compared to the remaining

¹¹ "Seattle Office 21Q4," Colliers

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vacant period prior to re-leasing a vacant space being due to the impact of CHOP on Hunters' ability to re-lease units.

20. For purposes of this analysis, I have made additional adjustments to the calculations of damages incurred by Hunters based on my review of the financial information, discussions with representatives of Hunters, and expectation of commercial practices "but for" CHOP, including the elimination of broker fees and tenant improvements, as these costs would have been incurred at a future date of re-leasing.

21. As shown in Schedule 1, the calculation of economic damages related to commercial tenants has been conducted on a tenant-by-tenant basis. Total economic damages for Hunters for the loss of commercial tenant income related to CHOP is \$1,419,203.

Residential Losses

22. Hunters owns two residential properties within the CHOP zone that incurred economic damages: (i) Lots II – The Broadway Building and (ii) the Dunn Automotive Building. As a result of CHOP, there was a mix of tenants moving out, not renewing leases, and a difficulty in attracting new tenants for an extended period. Based on Hunters' experience in leasing the residential units, Hunters' management determined that residential rental income loss extends from June 8, 2020 through May 8, 2021. This 11-month period approximately aligns with the start of CHOP and with the removal of the barricades in front of the East Precinct, which occurred on May 5, 2021.

23. Hunters prepares monthly budgets on an annual basis, which are finalized in December of each year. I have reviewed the variance between the budget and actuals for January 2020 through May 2020, which represents the portion of the year prior to CHOP, and accounts for a number of months after the onset of the COVID-19 pandemic. Hunters outperformed the budget in each

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Address	Name
2302 E Denny Way Seattle, WA 98122	Hamilton
1400 E Mercer St Seattle, WA 98112	Park Tower
1821 17th Ave Seattle, WA 98122	17th Ave
1323 East Pine St Seattle, WA 98122	Chester
1425 E Prospect St Seattle, WA 98112	CHA
525 East Roy St Seattle, WA 98102	525 E Roy St
417 13th Ave E Seattle, WA 98102	Hampton Court
503 E Thomas St Seattle, WA 98102	Varick
712 Summit Ave E Seattle, WA 98102	712 Summit
220 Belmont Ave E Seattle, WA 98102	Cambridge Court
910 10th Ave E Seattle, WA 98102	Glass Flats
1101 10th Ave E Seattle, WA 98102	Prospect Court
2210 Minor Ave E Seattle, WA 98102	2210 Minor Ave E
733 Summit Ave E Seattle, WA 98102	733 Summit
704 E Thomas St Seattle, WA 98102	Lancaster
505 Boylston Ave E Seattle, WA 98102	Viceroy
512 Boylston Ave E Seattle, WA 98102	Glen Arms
309 Belmont Ave E Seattle, WA 98102	Glengarry
2037 Yale Ave E Seattle, WA 98102	Yale
507 Harvard Ave E Seattle, WA 98102	Mulholland
1004 Belmont Ave E Seattle, WA 98102	Lakeview Place
2800 Franklin Ave E Seattle, WA 98102	Hamlin Place

84. We have been provided with monthly rental income for each building managed by Redside, both those within CHOP, and buildings outside of CHOP. For the non-CHOP buildings, we have calculated the reduction in total rental income by month after the start of COVID-19. We have adjusted the average monthly revenue for the 12-month period immediately prior to CHOP to account for the expected COVID-19 impact. Actual revenue was subtracted from the expected COVID-adjusted revenue to estimate the total lost rental income. Redside earns management fee income based on a percentage of a building's total income. According to Mr. Swanson, the average management fee charged is approximately 5 percent. As shown in Schedule 19, the economic damages from the lost management fees as a result of CHOP is calculated at \$1,818.